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SUMMARY

1. (U) The key developments in November 2007:

** CORAH surpasses the coca eradication goal of 10,000 hectares for CY 2007.

** President Garcia tells visiting ONDCP Director John Walters that he strongly supports controls on precursor chemicals, money laundering, and asset forfeiture.

** Narcoterrorists attack PNP station with automatic weapons and grenades; 4 PNP officers killed in separate incident.

** The PNP killed one and captured eight members of the Shining Path group in the Upper Huallaga River Valley (UHV).

** Security threats trigger 4-day curfew at Pucallpa base.

** Cuts to aviation budget prompt search for other training methods for UH-2 pilots; consulting with INL/A and NAS-Bogota.

** Flight Simulator Training System (FSTS) is being studied by NAS and INL/A.

** NAS is purchasing an aeronautical beacon tracking system that will reduce flight hours and improve crew safety.

** Agreement with NAS-PNP Police Program was amended to expand police training at the Tarapoto PNP base.

** The PNP raided its first-ever internal carrier laboratory near the Lima airport where mules swallowed cocaine pellets.

** Drug arrests and seizures increased by 300 percent at the Lima Airport, compared to this time last year.

** Demand Reduction Program is establishing a Web portal for community anti-drug coalitions.

** Sanchez Paredes siblings added to Peru's list of presumed narco-traffickers.

END SUMMARY

PERU REACHES ANNUAL GOAL OF 10,000 HECTARES ERADICATED

¶2. (U) On November 15, CORAH, with significant support from DIRANDRO, surpassed the 10,000-hectare coca eradication goal for CY 2007. One strategy that contributed to this success was working on two different fronts since June. November's totals are 1,644 hectares eradicated, 3459 square meters of seed bed destroyed, and a total of 57,923,089 plants uprooted. Having reached its annual goal, CORAH can now reduce operations in December in order to stay within budget and not tap into next year's funds to reach the goal as has been done in years past.

¶3. (U) NAS spent the last week of November working closely with CORAH to plan the end of this year's effort and to begin dismantling the eradication camp at Santa Lucia. In preparation for the 2008 program, NAS participated in a series of preparatory planning and budget sessions with CORAH that included a two-day seminar on coca quantification procedures, hosted by DEVIDA. Aerial reconnaissance of the areas targeted for eradication operations next year operation were conducted. Working with the CORAH Executive Director and the Director of Operations, the final draft of next year's eradication plan is nearly finished. Coordination meetings with the Aviation and Police programs will take place in early December, after which the eradication plan will be presented to USAID for its review and approval, ensuring that all concerned programs are involved.

ONDPC DIRECTOR WALTERS VISITS LIMA

¶4. (U) On November 5-6 during a visit to Lima, ONDPC Director John P. Walters met with Peruvian President Alan Garcia, Interior Minister Luis Alva Castro, and Romulo Pizarro of the Drug Policy Agency (DEVIDA). In a November 6 meeting with President Garcia, ONDPC Director Walters emphasized that the U.S. was doing its part to reduce drug consumption in the U.S., noting reductions in the use of cocaine and supply shortages on the streets. President Garcia confirmed his government's strong will to fight narcotics-trafficking in an integrated manner, with new emphasis on precursor chemicals, money laundering and asset forfeiture. The meeting followed a press conference in which President Garcia had announced the GOP would continue with drug interdiction policies, but would add special emphasis to money laundering cases. The President assured the Director that one of the central objectives of his Government was counter-narcotics, including eradication, drug interdiction, and a concerted effort to intercept chemicals.

See Ref A.

NARCOTERRORISTS ATTACK ON POLICE STATION

¶5. (SBU) An attack by narco-terrorists on a police station in a remote town in the Apurimac region left one officer dead and three injured on November 1 (Ref B). According to various media reports, between 40 and 70 heavily armed individuals attacked the Ocabamba police station around midnight with automatic weapons and grenades. Media analysts are blaming narco-terrorists, remnants of the Shining Path (Sendero Luminoso--SL) terrorist group, for the attack. The Police stated the attack was a revenge killing because of a recent PNP drug seizure in the area. Minister of Interior Luis Alva Castro visited the scene later in the day and vowed that Peru's war on drugs will not be deterred.

¶6. (U) In a separate incident, a group of up to 40 heavily armed individuals attacked two PNP vehicles on November 13 in northern Huancavelica region about 200 kilometers east of Lima, killing 4 PNP officers (Ref C). According to media reports, the attack was a response to recent seizures of drugs and precursor chemicals in the area by the PNP, much like what has been said about the November 1 attack in Ocobamba (Ref B), some 200 kilometers to the southeast.

POLICE KILL 1 NARCOTERRORIST, CAPTURE 8

¶7. (U) A PNP operation, carried out in the early morning hours of November 27, killed one and captured eight members of the SL organization in the Upper Huallaga River Valley (UHV). The third in command in the UHV organization and leader of its forces on the western side of the Huallaga River was killed in the attack. The eight suspects captured included the organization's ideological chief, "Comrade Julian", as well as the head of personal security for the group's leader "Comrade Artemio" (Ref D).

SECURITY THREATS TRIGGER 4-DAY CURFEW AT PUCALLPA BASE

¶8. (U) A curfew from 21:00 to 06:00 was imposed on all U.S. personnel at the NAS Main Operating Base (MOB) in Pucallpa for 4 days, starting on November 20. Three recent security incidents triggered the security measure. First, gunfire occurred at night at a small army base approximately 5 km from the MOB on November 16. The Army maintained the attackers were on the outside -- up to 20 armed personnel, possibly SL. Once a UH-2 flew over the base, the attack ended. Two Peruvian soldiers were wounded. The attack could have happened inside the base, or could have been to capture weapons and ammunition (NAS Aviation stores its ammunition in a bunker on the base). In a second incident on November 20, a letter addressed to a NAS Guardian at the MOB demanded a payment of 120,000 USD to prevent any attacks on Americans. A detailed sketch of the MOB and the locations of fuel and personnel billets was attached. Finally, the recent release by the GOP of 2,000 criminals from the local prison has caused a steep rise in armed robberies and murders. Several locals working at the MOB or their families have been robbed, killed, or injured.

BUDGET CUTS THREATEN PILOT TRAINING--A SEARCH FOR SOLUTIONS

¶9. (U) The pilot training needed to maintain the NAS aviation program in Peru could be severely impacted by proposed budget cuts. In response, the NAS Directors in Peru and Colombia along with INL/A are considering conducting initial-entry rotary wing (IERW) training for Peruvian pilots in Colombia. IERW training in Colombia is sponsored by the DOD and the State Department loans its UH-1s for the training. Since there will be little or no DOD 9201 funds available for training at Fort Rucker, the training in Colombia appears to be a cost-effective option since it could be done for much less than the \$290,000 per student charged at Fort Rucker. The civilian helicopter school at Titusville, FL may cancel the special training program it created for NAS if there are not enough students--a clear possibility. INL/A is monitoring the situation and has advised the NAS Directors.

¶10. (U) One proposal being considered is a cost-sharing agreement that could reduce the need for DOD funding. Another plus would be that training could be conducted in UH-1s instead of the small piston helicopters used at Titusville, which translates into fewer flight hours required for transition training to the UH-2s. This plan could also be the model for developing pilot training for the region.

¶11. (U) The unscheduled maintenance price tag on the UH-2s for 2007 is estimated to be 2.8 million USD and 3.4 million USD for 2008. This unfunded expense was not foreseen. The maintenance was done by the contractor DynCorp. The majority of the cost has gone toward replacing engines, transmissions, and conducting unscheduled inspections and tear downs because of over-torques and over-temps by pilots. INL/A Director Nell said that the over-torques and over-temps should be considered a critical safety-of-flight issue, so we are looking at using a Flight Simulator Training System (SFTS) to address the issue. Basically, additional training of our pilots in the SFTS should save helicopter flight hours and unscheduled maintenance costs. We estimate that 10 percent of our flight-hour training requirements (about 700 hours) could be done in the SFTS. Using the SFTS would result in fewer procedural mistakes by the pilots because the mistakes would be made in the SFTS. The cost for initial setup is being studied. The most advanced SFTS is not being considered due to availability and cost. A procedural or vision SFTS without hydraulics may be possible. If an SFTS is located in Lima, it could be used by other NAS operations in the region for UH-2 training.

SATELLITE TRACKING BEACONS WILL SAVE CREWS AND MONEY

¶12. (U) NAS will be buying a DMR-500 aeronautical beacon tracking

system that will be able to track aircraft by satellite. The beacons would provide flight track information and compare it to actual flight plans for safety and recovery efforts if an aircraft goes down. In the VRAE and the Monzon where the threat level is high, policy specifies no single aircraft operations due to the potential for being shot down or becoming missing. This technology will allow NAS to schedule single-aircraft missions instead of the currently required dual aircraft missions, which will save critical flight hours.

POLICE ACADEMY PROGRAM EXPANDS TO TARAPOTO

¶13. (U) The existing PNP academy in Tarapoto has been added as the fourth academy in the NAS-PNP Police Academy program. An addendum was signed and annexed to the current bilateral agreement between NAS and the PNP. Parts of the base will be refurbished to accommodate more students. At the Santa Lucia, a 21-day training course on Tactics and Operations was conducted by a U.S. military team and DIRANDRO for 80 DIRANDRO personnel from the Special Operations Division (DIVOEDAD) and the Special Operations Group (GOES). Finally, 607 students from the three Police Pre-Academies (Mazamari, Ayacucho, and Santa Lucia) will be taking the PNP entrance examination in early December. Students recruited from rural areas and indigenous groups east of the Andes participated in a rigorous academic program to prepare for the examination.

¶14. (U) Interdiction operations continued in the VRAE, resulting in the destruction of 603 cocaine-base laboratories and 14 cocaine HCl laboratories, and the seizure of 6 metric tons of precursor chemicals.

DRUG AND MONEY SEIZURES INCREASE AT PORTS AND BORDERS

¶15. (SBU) On November 8, the PNP Port Intelligence Unit detected its first-ever an internal carrier laboratory near the Lima airport where mules swallowed cocaine pellets and where the traffickers provided accommodations for the mules before they ingested the pellets. DEA was advised, and a raid was conducted where 4 traffickers were arrested. 10,000 USD, 1,000 Nuevo Soles (approximately 300 USD), and 120 pellets were also seized.

¶16. (SBU) In November, Peruvian Customs and the airport police at the Jorge Chavez International Airport (JCIA) and the Peruvian Post Office in Lima seized 339 kg of cocaine HCl. Also, 59 internal carriers (mules) were arrested, with 43 being identified by the x-ray body scanner. There has been a 300 percent increase in the arrests of mules at JCIA compared to this time last year. This increase can be directly attributed to a clear willingness on the part of Peruvian Customs to conduct interdiction operations using the non-intrusive instruments and x-ray scanner equipment provided by NAS.

¶17. (SBU) SUNAT continued its new program to seize illicit money this month by seizing a total of 73,521 USD: 30,000 USD at the Peruvian Post Office in Lima destined for Toronto, Canada, and 43,521 USD at Tacna on the Peru-Chile border.

WEB PORTAL COMING FOR COMMUNITY ANTI-DRUG COALITIONS

¶18. (U) NAS is contracting with company to design a Web portal for community anti-drug coalitions (CAC). CAC members will upload activity reports, event announcements, photos, etc. to the Web portal for three purposes: to allow for monitoring and evaluation of the CACs, to provide a forum for sharing best practices and lessons learned, and to publicize the efforts of communities to reduce drug abuse. A part-time Webmaster and technician will maintain the portal once it is designed and running. Youth groups in the CACs are expected to update the CACs' web pages.

¶19. (U) The CAC in central Lima established a youth center ("tele-centro") with videos, books, and Internet access. Based on CAC sustainability plans, the location and computers were donated by the municipality; other community organizations also contributed various resources to the center. NAS contributed less than 50 percent of the startup costs and the community has committed to providing long-term support. Another CAC has organized a campaign to enforce the local ordinance prohibiting both the sale of alcohol to minors and the consumption of alcohol in the streets or public areas. Alcohol

consumption by minors is a well-researched risk factor leading to illegal drug abuse.

PERUVIAN MEDIA LINKS SANCHEZ PAREDES FAMILY TO NARCOTRAFFICKING

¶20. (SBU) On November 24, after months of media stories linking the Sanchez Paredes family to narco-trafficking, the Peruvian government's anti-drug intelligence organizations added the names of four Sanchez Paredes siblings -- Manuel, Santos Orlando, Fortunato Wilmer, and Amanda Francisca Sanchez Paredes -- to the list of Peruvian drug kingpins. The four are siblings of the narco-trafficker Perciles Sanchez Paredes, who was killed by gunfire in 1991 in Trujillo. This means the authorities have some facts to investigate the activities of the family. No charges have been brought.

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